36. APPLICATION FOR PREFERENTIAL MINERAL EXTRACTION LEASES, CALIFORNIA MINERALS CORPORATION, SAN BENITO AND FRESNO COUNTIES - V.O. 4104, P.R.C. MINERALS CORPORATION, SAN BENITO AND FRESHO COUNTIES - W.O. 4104, 2810.2; AND W.O. 4106, P.R.C. 2811.2.

After consideration of Calendar Item 16 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE PREFERENTIAL MINERAL BYTHE AND THAT IS AUTHORIZED TO EXECUTE AND ISSUE PREFERENTIAL MINERAL BYTHE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE PREFERENTIAL MINERAL BYTHE EXECUTIVE OF AN INTERPRETARIES OF THE PROPERTY OF T THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE PREFERENTIAL MINERAL OF TEXTRACTION LEASES TO CALIFORNIA MINERALS COPTORATION FOR AN INITIAL TEXT DECIMENT DATE OF THE PROPERTY OF TH EXTRACTION LEADED TO CALLFORNIA MINERALD COLLONATION FOR AN INITIAL TERM OF TWENTY YEARS FOR EACH LEASE WITH A PREFERENTIAL RIGHT TO RENEW EACH LEASE FOR AN ADDITIONAL MEDIA NOT TO EVOLED TO VEADE THOM STOLD DEAGONABLE MEDIA AND EVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO EVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO EVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO DEVOLED TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO VEADE TOOM STOLD DEAGONABLE MEDIA NOT TO VEADE TO VEA AN ADDITIONAL TERM NOT TO EXCEED 10 YEARS, UPON SUCH REASONABLE TERMS AND CONDITIONAL TERM NOT TO EXCEED DV MMB COMMITCAL COMPANY OF DEPOCRATED DV MMB COMMITCAL COMPANY OF DEPOCRATED DV MMB COMMITCAL COMPANY OF THE DEPOCRATED DV MMB COMPANY OF THE AN ADDITIONAL TERM NOT TO EXCEED TO TEAMS, UPON SOUR REASONABLE TERMS AND CONDITIONS AS MAY BE PRESCRIBED BY THE COMMISSION, COVERING THE FOLLOWING

PROSPECTING PERMIT P.R.C. 2488.2, COVERING 120 ACRES IN THE WEST PRODUCTING PERMITT P.K.U. 2400.2, COVERING 120 AURES IN THE WE OF THE INT OF SECTION 36, T. 18 S., OF THE INT AND THE WE OF THE EZ OF THE INT COMMITTEE OF THE INTERPOLATION COMMITTEE OF DESCRIBED AREAS:

R. 12 E., M.D.B.& M., FRESNO AND SAN BENTTO COUNTIES.

PROSPECTING PERMIT P.R.C. 2489.2, COVERING 100 ACRES IN THE No OF TOWN OF THE NO ACRES IN THE NO OF THE NO THE SWI AND THE SOUTH 20 ACRES OF THE 10-ACRE PARCEL WEST OF LOT 9 AND NORTH OF LOT 12 OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M.,

PROSPECTING PERMIT P.R.C. 2490.2, COVERING 160 ACRES IN LOTS 10, M D D R SECRETOR 36 M D D R SECRETOR 36 M D D R PROSPECTING PERMIT P.R.C. 249U.2, COVERING IOU AURED IN LOTS IU, 12, 18, 19 AND 20 OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO AND SAN BENITO COUNTIES.

EACH LEASE IS TO BE SUBJECT TO A ROYALTY PAYABLE IN ACCORDANCE WITH THE RATE OF AN ADVIANCE AND THE PROPERTY OF THE PROPERTY O EACH LEASE IS TO BE SUBJECT TO A ROTALTY PAIABLE IN ACCUMBANCE WITH THE RATE SPECIFIED IN THE PROSPECTING PERMIT AND TO AN ADVANCE ANNUAL RENTAL OF \$1.00 SPECIFIED IN THE PROSPECTING PERMIT AND TO AN ADVANCE ANNUAL RENTAL OF DEPARTMENT AND THE ISSUANCE OF ANY LEASE, THE LESSEE PER ACRE OF LEASED LAND. PRIOR TO THE ANALYSIS OF THE PROPRESSION AND THE PROPRESSIO PER ACRE OF LEASED LAND. PRIOR TO THE ISSUANCE OF ANI LEASE, THE LESSEE SHALL DEPOSIT A PERFORMANCE BOND IN THE AMOUNT OF \$2,000 FOR EACH LEASE.

Calendar Item 16 (2 pages) Attachment

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## CALENDAR ITEM

16.

APPLICATION FOR PREFERENTIAL MINERAL EXTRACTION LEASES, CALIFORNIA MINERALS CORPORATION, SAN BENITO AND FRESNO COUNTIES - W.O.s 4104, 4105, and 4106.

Prospecting Permits P.R.C. 2488.2, P.R.C. 2489.2 AND P.R.C. 2490.2 were issued on November 30, 1959, to Stanley A. Tanner. Subsequently, on March 7, 1961, and on July 28, 1961, the initial and remaining undivided one-half interests in these permits were assigned to California Minerals Corporation, a California corporation.

An application for preferential mineral extraction leases covering the permit areas has been received from California Minerals Corporation. Pursuant to Section 14 of the prospecting permits, the permittee, upon establishing to the satisfaction of the Commission that valuable deposits of minerals have been discovered within the limits of a permit area, shall be entitled to a been discovered within the limits of a permit area, shall be entitled to a lease for not more than 160 acres of the area within the permit, in accordance with the provisions of Division 6 of the Public Resources Code, at the royalty rate specified in the permits.

A field reconnaissance by a staff engineer has disclosed the presence of commercial deposits of asbestos-bearing ore within each of the three permit areas. Shipments are presently being made from the  $S\frac{1}{2}$  of Section 30 of asbestos fiber of similar quality to the fiber present in the permit areas.

A minimum royalty of \$1 per ton for asbestos ore extracted and sold would be due the State according to the following royalty formula specified in the prospecting permits:

For nonmetallic minerals:

R = 1.00 + 0.20 (C - 15.00)

Where R = Royalty in dollars and cents per ton of ore

C = Weighted average of gross sales price per ton of ore sold determined at the end of the first year of the lease and every four years thereafter.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE PREFERENTIAL MINERAL EXTRACTION LEASES TO CALIFORNIA MINERALS CORPORATION FOR AN INITIAL TERM OF TWENTY YEARS FOR EACH LEASE WITH A PREFERENTIAL RIGHT TO RENEW EACH LEASE FOR AN ADDITIONAL TERM NOT TO EXCEED 10 YEARS, UPON SUCH REASONABLE TERMS AND CONDITIONS AS MAY BE PRESCRIBED BY THE COMMISSION, COVERING THE FOLLOWING DESCRIBED AREAS:

## CALENDAR ITEM 16. (CONTD.)

PROSPECTING PERMIT P.R.C. 2488.2, COVERING 120 ACRES IN THE  $W_{\frac{1}{2}}^{\frac{1}{2}}$  OF THE  $NW_{\frac{1}{4}}^{\frac{1}{4}}$  AND THE  $W_{\frac{1}{2}}^{\frac{1}{2}}$  OF THE  $NW_{\frac{1}{4}}^{\frac{1}{4}}$  OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO AND SAN BENITO COUNTIES.

PROSPECTING PERMIT P.R.C. 2489.2, COVERING 100 ACRES IN THE  $N_2^1$  of the SW $_1^1$  AND THE SOUTH 20 ACRES OF THE 40-ACRE PARCEL WEST OF LOT 9 AND NORTH OF LOT 12 OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO AND SAN BENITO COUNTIES.

PROSPECTING PERMIT P.R.C. 2490.2, COVERING 160 ACRES IN LOTS 10, 11, 12, 18, 19 AND 20 OF SECTION 36, T. 18 S., R. 12 E., M.D.B.& M., FRESNO COUNTY.

EACH LEASE IS TO BE SUBJECT TO A ROYALTY PAYABLE IN ACCORDANCE WITH THE RATE SPECIFIED IN THE PROSPECTING PERMIT AND TO AN ADVANCE ANNUAL RENTAL OF \$1.00 PTR ACRE OF LEASED LAND. PRIOR TO THE ISSUANCE OF ANY LEASE, THE LESSEE SHALL DEPOSIT A PERFORMANCE BOND IN THE AMOUNT OF \$2,000 FOR EACH LEASE.